

Town of Rhinebeck Budget Trends

SUMMARY DECK

August 25, 2010

Bruce Washburn



Are the revenue and expenditure projections in the Town's budget reasonable?

Are operations that generate revenue and cause expenditures effectively controlled?

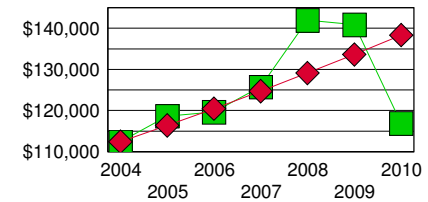
- "The annual budget is a financial plan for Town operations indicating the Board's choices for the allocation of resources and establishing spending limits to provide assurance that financial commitments do not exceed appropriations. "
- "The Board may modify the budget by resolution to increase appropriations and provide additional moneys from other funding sources (e.g., the unexpended balance of an appropriation or a cash surplus). "
- "Town Law, guidance from the Office of the State Comptroller and good budgetary controls require the Board to monitor the budget and ensure that uncommitted appropriations are available before funds are encumbered or expended. "
- "Board oversight becomes particularly important in smaller municipalities which may not have an adequate segregation of duties."

Typical statements from NYS Comptroller audits

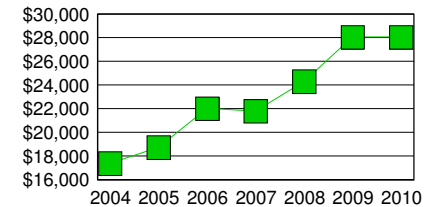
METHODOLOGY: Preparation

- ▶ Plotted 2004 to 2010 budget departments/accounts per fund
 - Determined and least expensive budget year
- ▶ Plotted 3.5% annual growth from least expensive year
 - CPI median 2003 to 2009 (September) = 3%
 - C.O.L.A. median 2003 to 2009 = 3%
 - Contingency adder = 0.5%
- ▶ Graphed components of department budget
 - Personnel - personal services and benefits
 - Other appropriations - budget less personnel
 - Contractors - consultants and service providers
 - Energy - utilities, fuel, mileage and tolls
 - Remaining - uncategorized
- ▶ Plotted approved appropriations and actual expenditures for 2007 to 2010
- ▶ Plotted estimated revenues and actual revenues for 2007 to 2010
- ▶ Plotted external reference of Rhinebeck compared to up to 169 similar towns for 2002 to 2008
 - Used best fit categories to associate departments with benchmarks
 - Some comparisons are direct match while others are subsets
 - For example, pools would fall under recreation services, garage under transportation, library under library

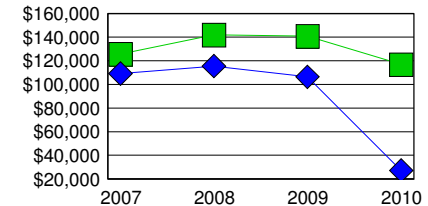
DEPARTMENT



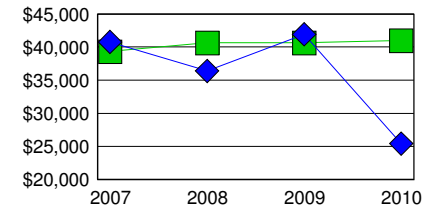
ENERGY



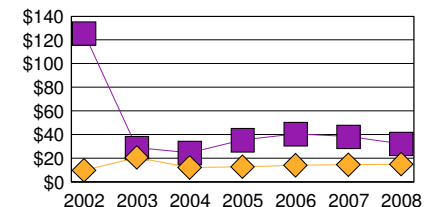
EXPENSE



REVENUE



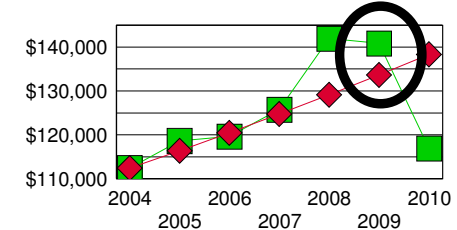
Rhinebeck VS Similar Towns



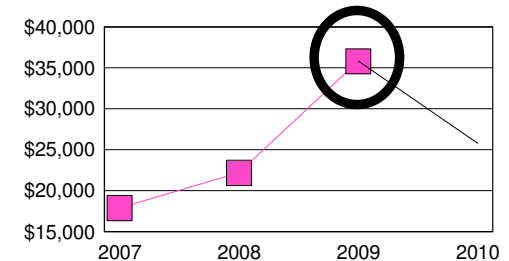
METHODOLOGY: Assessment

- ▶ Categorized budget growth trend
 - If 2009 budget is above 3.5% growth, then growth is accelerated
 - If 2009 budget is below 3.5% growth, then growth is conservative
 - In pool example, growth is accelerated
- ▶ Plotted recent net performance against budget for expense and revenue
 - 2007 through June 2010 were plotted
 - Approved budget appropriations minus actual expenses
Example: $\$140,885.00 - \$106,310.59 = \$34,574.41$
 - Actual revenue minus estimated revenue
Example: $\$41,911.50 - \$40,665.00 = \$1,246.50$
 - If plot point is greater than or equal to 0, then the performance is positive
 - If plot point is less than 0, then the performance is negative
Example: $\$35,821 = \$34,574.41 + \$1,246.50$
- ▶ Estimated 2010 expense and revenue based on June reports
 - Used lesser of June X2 or budget limit, unless already over budget
- ▶ Calculated approved budget cost per resident served (PRS)
 - 2010 and 2009
 - Approved appropriations minus estimated revenue divided by residents
 - Townwide = 7762 residents per 2000 census
 - Outside of village = 4685 per 2000 census
 - 2009: $(\$140,885.00 - \$40,665.00) / 7762 = \$12.91$
 - 2010: $(\$116,935.00 - \$41,000.00) / 7762 = \$9.78$
- ▶ Calculated actual cost per resident served (PRS)
 - Approved appropriations minus estimated revenue divided by residents
 - 2009: $(\$106,310.59 - \$41,911.5) / 7762 = \$8.30$

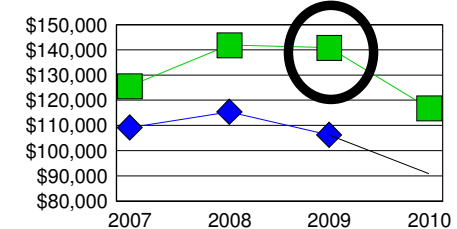
DEPARTMENT



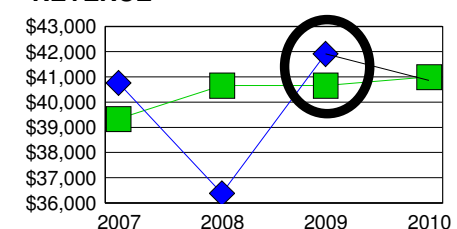
NET



EXPENSE



REVENUE

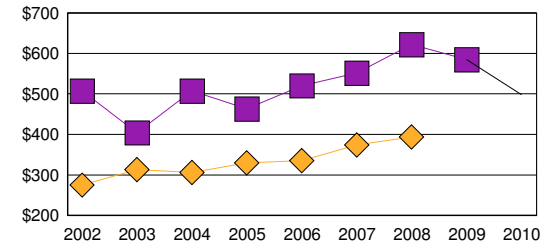


BUDGETS & RESULTS

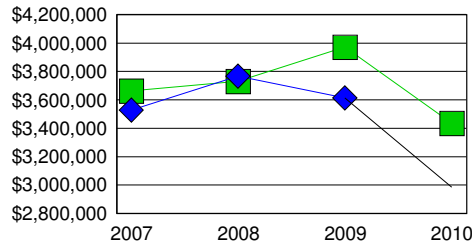
- ▶ Composite Benchmark
- ▶ 2010 budget = \$413.24/\$470.26 PRS
- ▶ 2009 net = \$521.09/\$564.80 PRS
- ▶ Trend = accelerated growth

| | |
|------|-----------------------|
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| | 3.5% AGR |
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| | Similar Towns Actuals |
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| 7762 | Townwide Residents |
| 4685 | Nonvillage Residents |

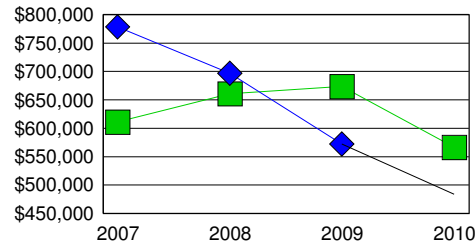
Rhinebeck VS Similar Towns



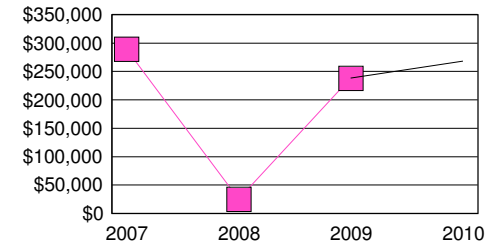
EXPENSE



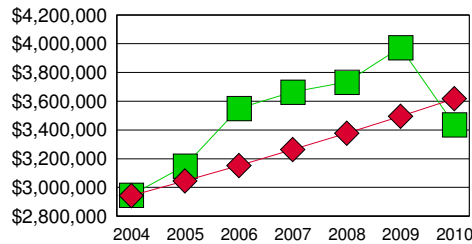
REVENUE



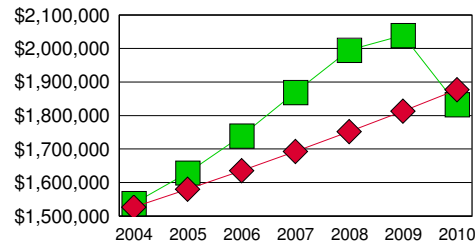
NET



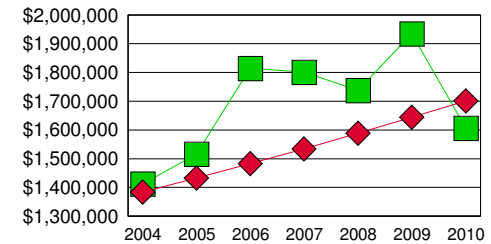
DEPARTMENT



PERSONNEL



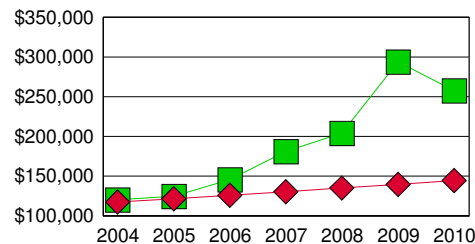
OTHER APPROPRIATIONS



CONTRACTORS



ENERGY



REMAINING APPROPRIATIONS

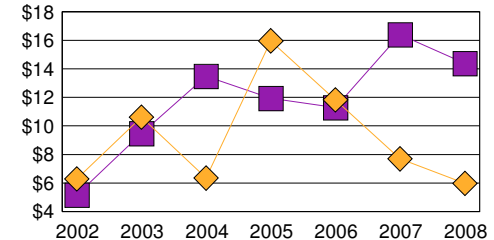


COMMUNITY SERVICES

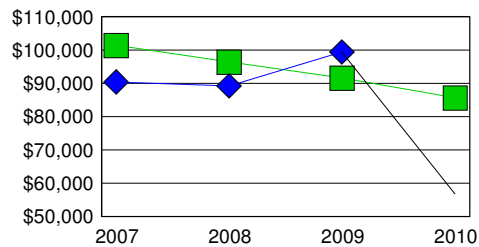
- ▶ Benchmarks:
 - **Constituent Services**
 - **Elder Services**
 - **Miscellaneous Community Services**
- ▶ 2010 budget = \$2.02/\$5.13 PRS
- ▶ 2009 net = **\$6.70/\$5.95 PRS**
- ▶ Trend = conservative growth

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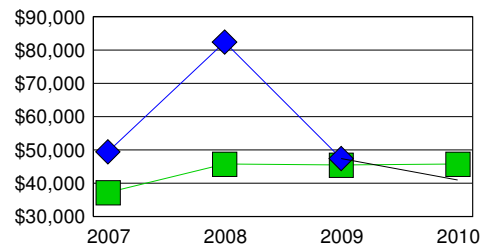
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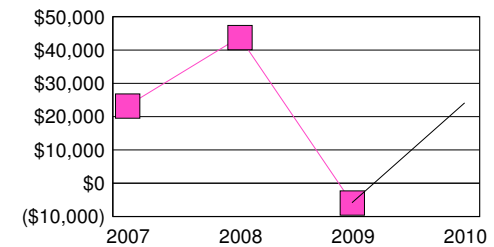
EXPENSE



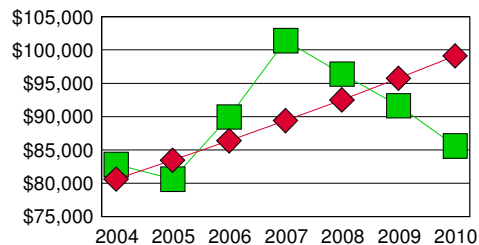
REVENUE



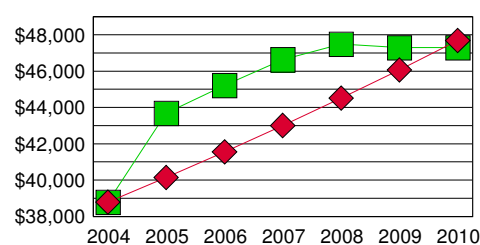
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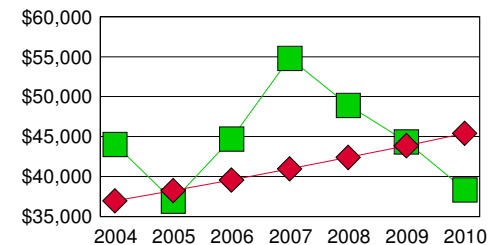
DEPARTMENT



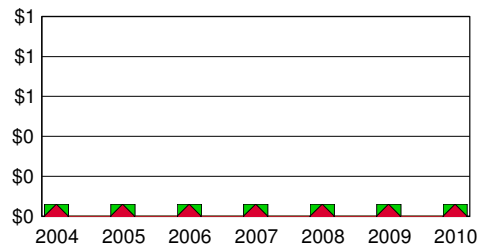
PERSONNEL



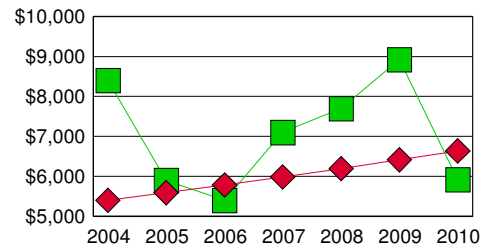
OTHER APPROPRIATIONS



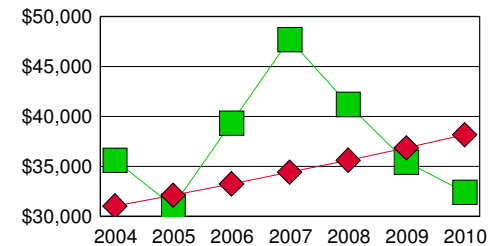
CONTRACTORS



ENERGY



REMAINING APPROPRIATIONS



CULTURE & RECREATION

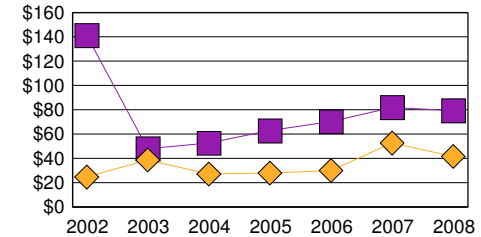
► Benchmarks:

- Recreation Services
- Adult Recreation
- Youth Recreation
- Library
- Cultural Services
- Miscellaneous Cultural & Recreation Services

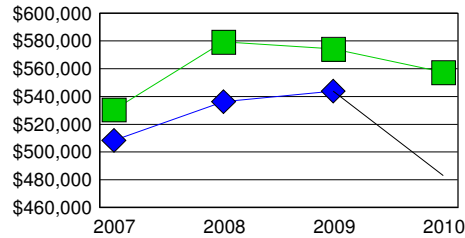
- 2010 budget = \$50.90/\$58.82 PRS
- 2009 net = \$56.80/\$62.01 PRS
- Trend = accelerated growth

| | |
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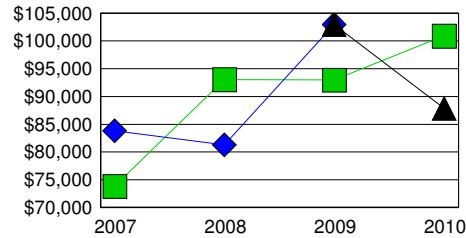
Rhinebeck VS Similar Towns



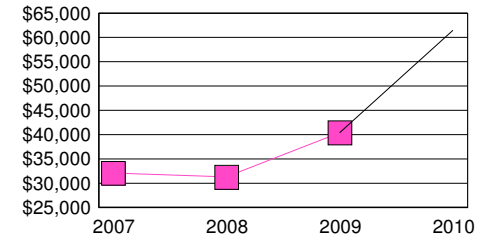
EXPENSE



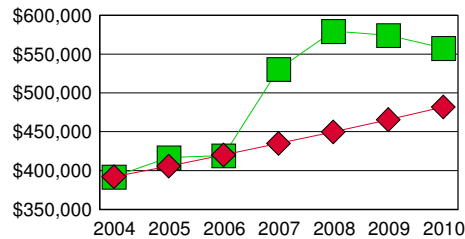
REVENUE



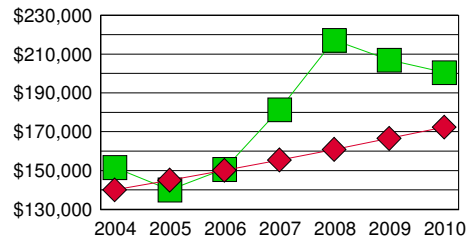
NET



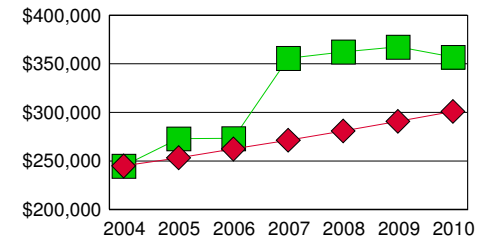
DEPARTMENT



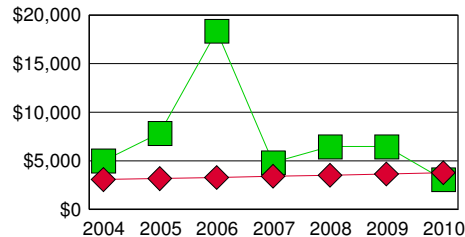
PERSONNEL



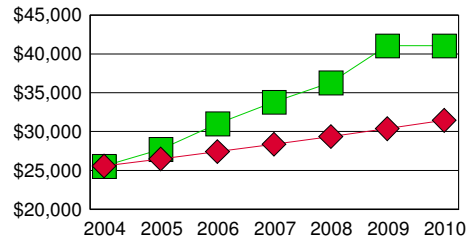
OTHER APPROPRIATIONS



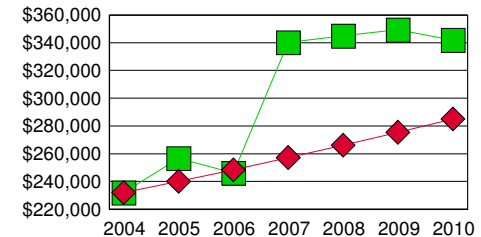
CONTRACTORS



ENERGY



REMAINING APPROPRIATIONS



GENERAL GOVERNMENT SUPPORT

► Benchmarks:

- Administration
- Operations
- Zoning & Planning
- Judgements
- Employee Benefits

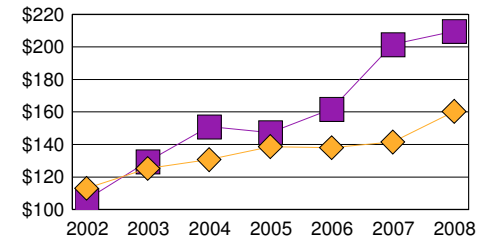
► 2010 budget = **\$125.26/\$120.47 PRS**

► 2009 net = **\$205.01/\$174.72 PRS**

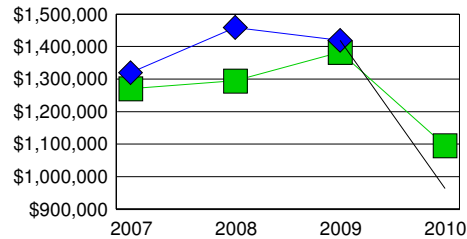
► Trend = accelerated growth

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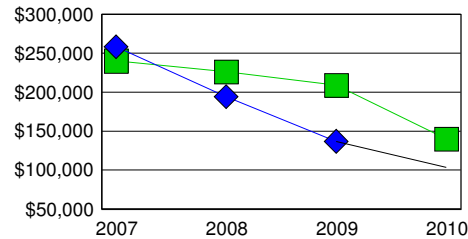
Rhinebeck VS Similar Towns



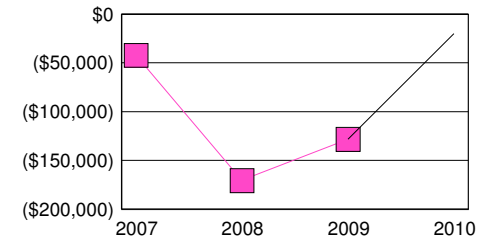
EXPENSE



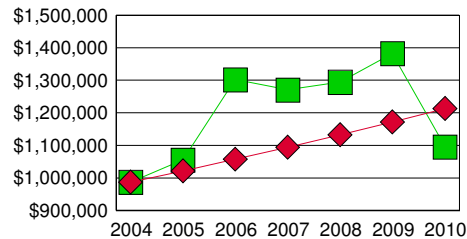
REVENUE



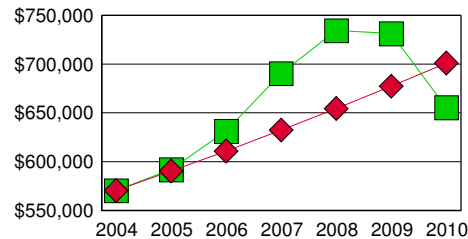
NET



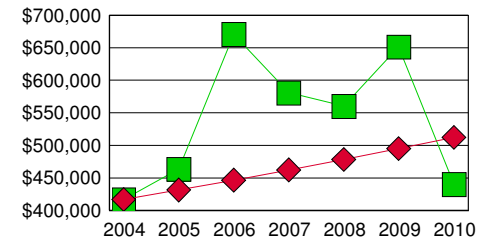
DEPARTMENT



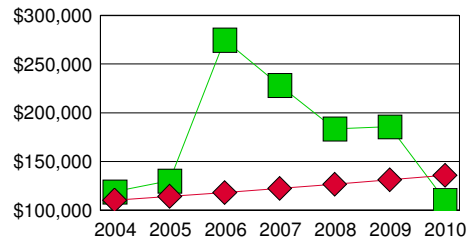
PERSONNEL



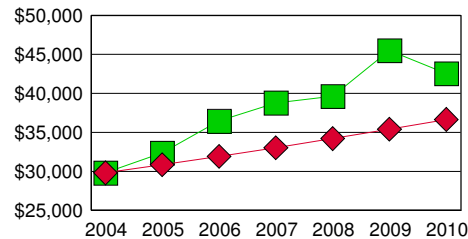
OTHER APPROPRIATIONS



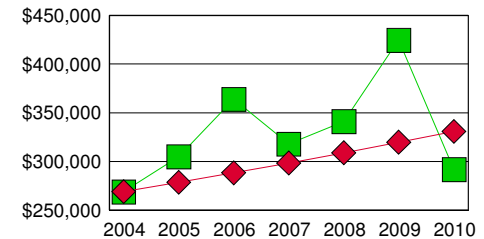
CONTRACTORS



ENERGY



REMAINING APPROPRIATIONS



PUBLIC SAFETY

► Benchmarks

• Police

• Miscellaneous Public Safety

- Safety Inspection, Traffic Control, Dog Control, Street Lighting

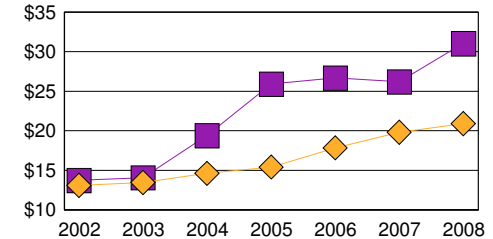
► 2010 budget = **\$24.01/\$22.01** PRS

► 2009 net = **\$19.46/\$16.95** PRS

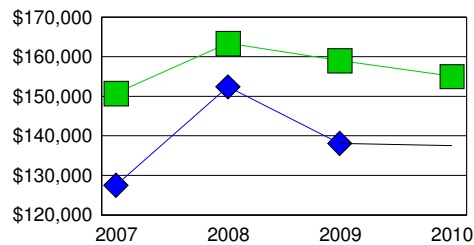
► Trend = accelerated growth

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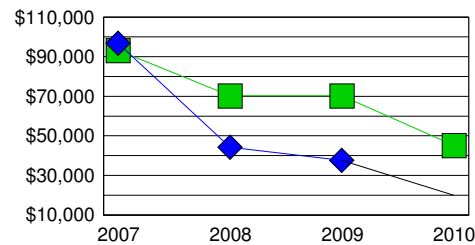
Rhinebeck VS Similar Towns



EXPENSE



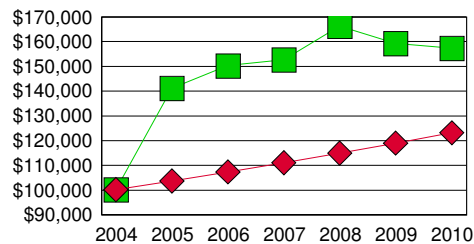
REVENUE



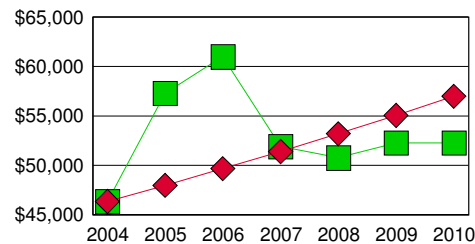
NET



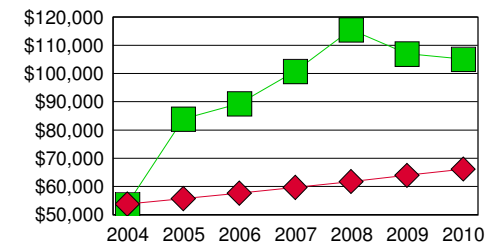
DEPARTMENT



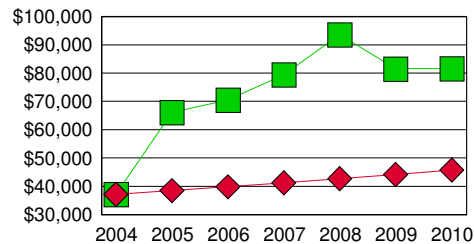
PERSONNEL



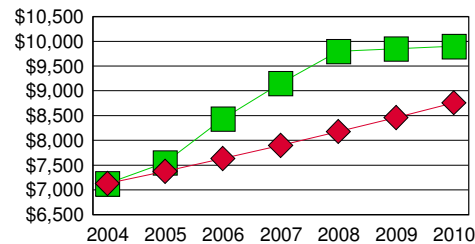
OTHER APPROPRIATIONS



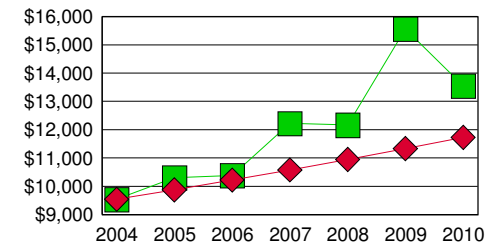
CONTRACTORS



ENERGY



REMAINING APPROPRIATIONS

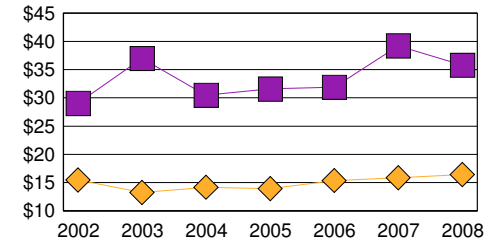


SANITATION

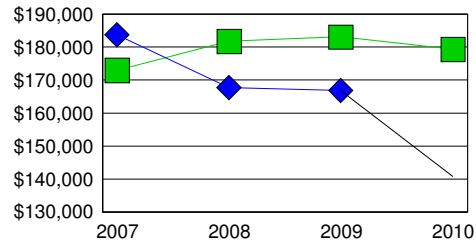
- ▶ Benchmarks:
 - Refuse & Garbage
- ▶ 2010 budget = \$16.07/\$20.24 PRS
- ▶ 2009 net = \$17.03/\$20.92 PRS
- ▶ Trend = conservative growth

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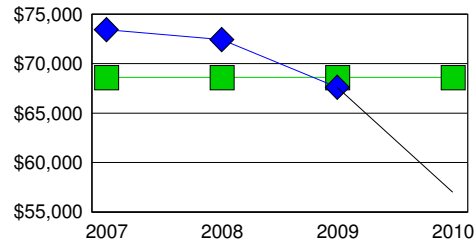
Rhinebeck VS Similar Towns



EXPENSE



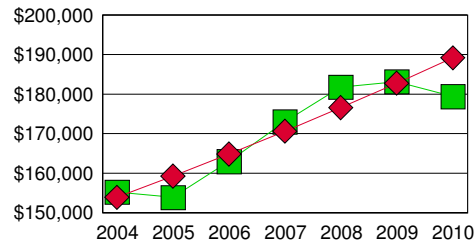
REVENUE



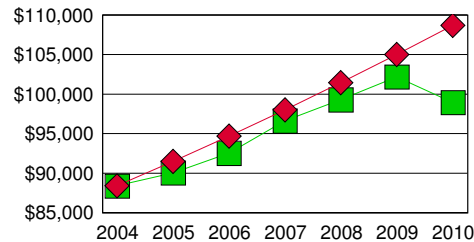
NET



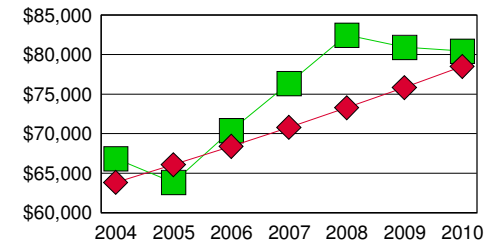
DEPARTMENT



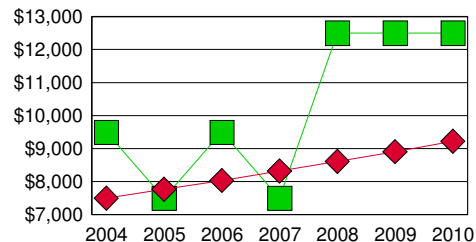
PERSONNEL



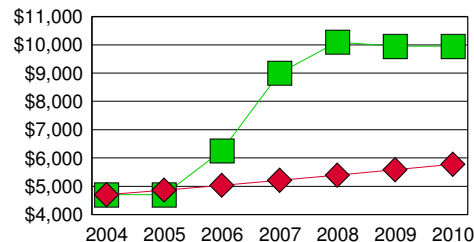
OTHER APPROPRIATIONS



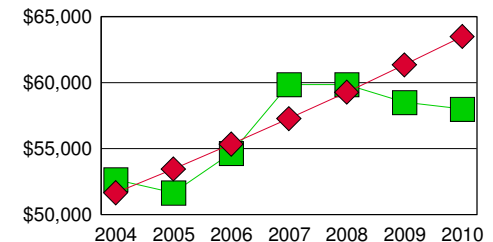
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REMAINING APPROPRIATIONS

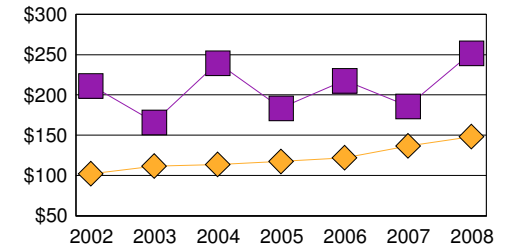


TRANSPORTATION

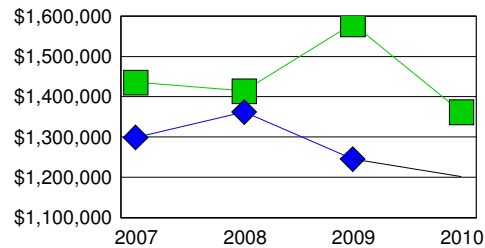
- ▶ Benchmarks:
 - Highways
 - Highway Service to Other Governments
 - Waterways
- ▶ 2010 budget = \$209.47/\$243.52 PRS
- ▶ 2009 net = \$216.29/\$284.23 PRS
- ▶ Trend = accelerated growth

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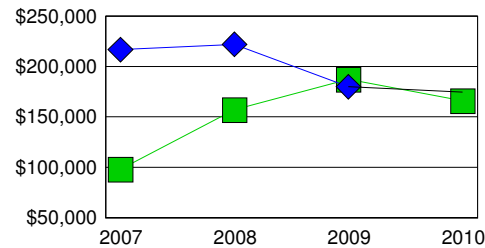
Rhinebeck VS Similar Towns



EXPENSE



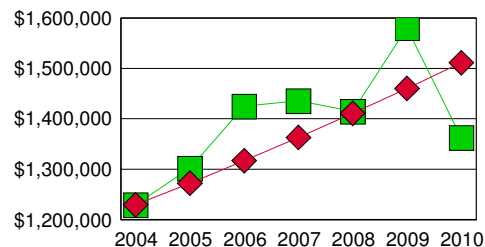
REVENUE



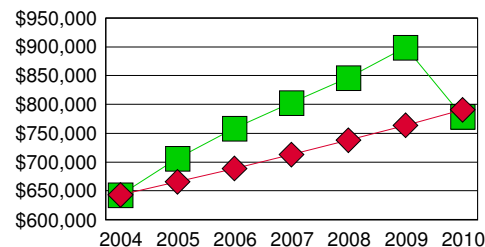
NET



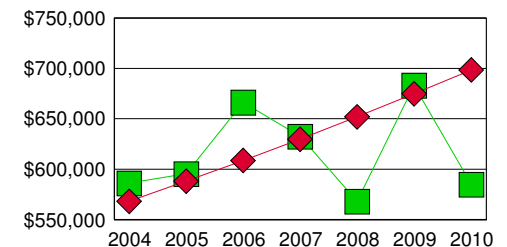
DEPARTMENT



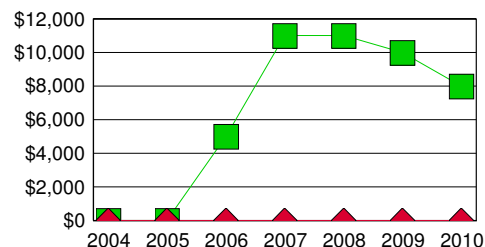
PERSONNEL



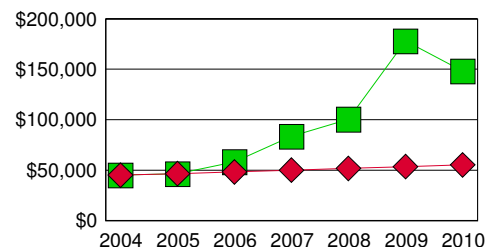
OTHER APPROPRIATIONS



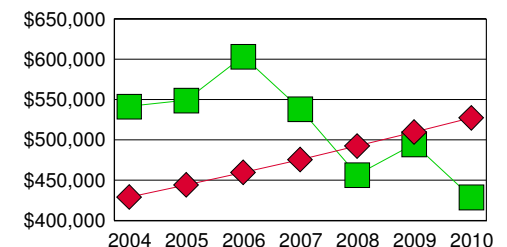
CONTRACTORS



ENERGY



REMAINING APPROPRIATIONS

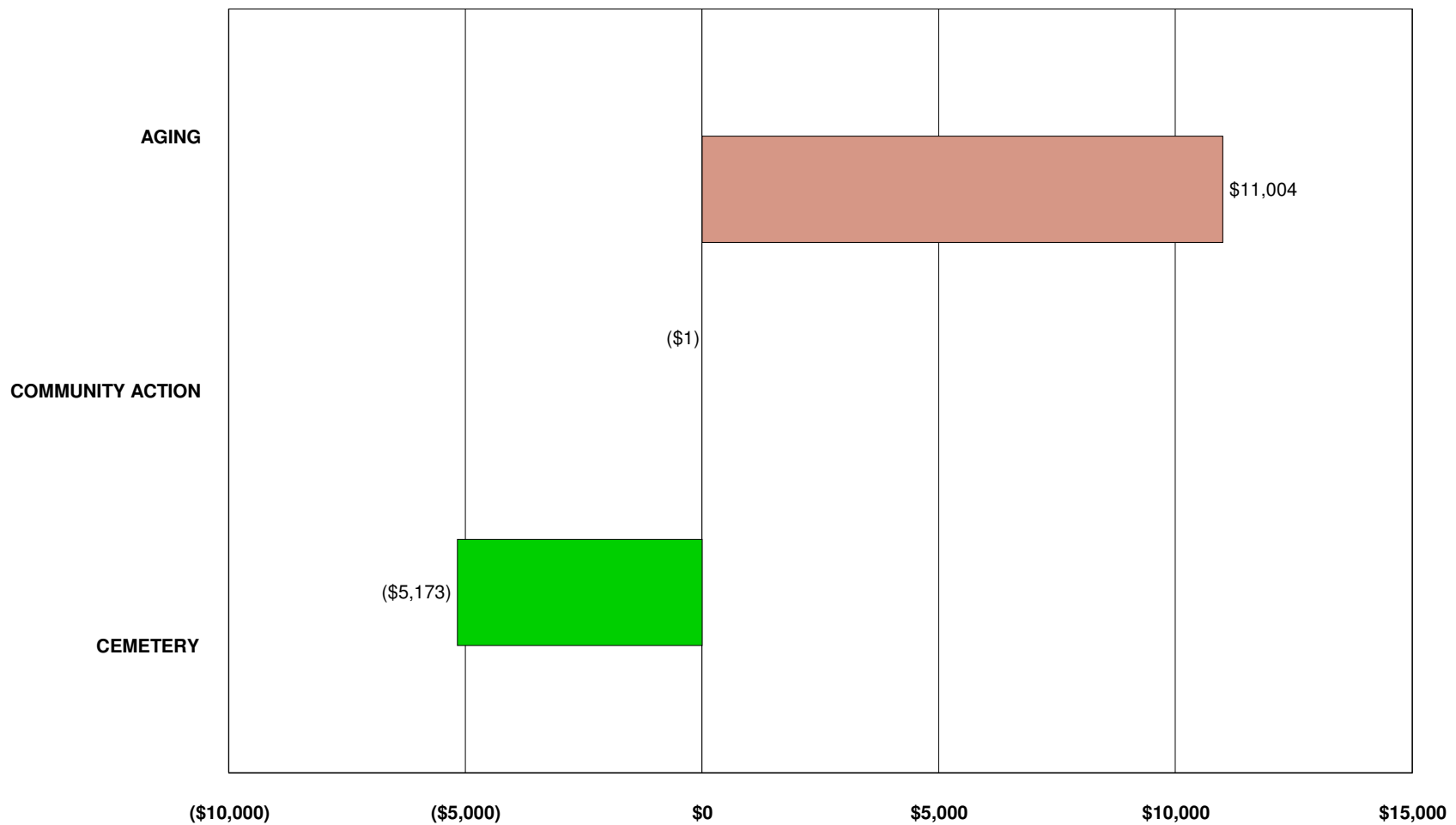


2009 Net vs Budget: COMMUNITY SERVICES

\$5,830 Over in 2009

(\$24,129) Under projected for 2010

■ UNDER ■ OVER

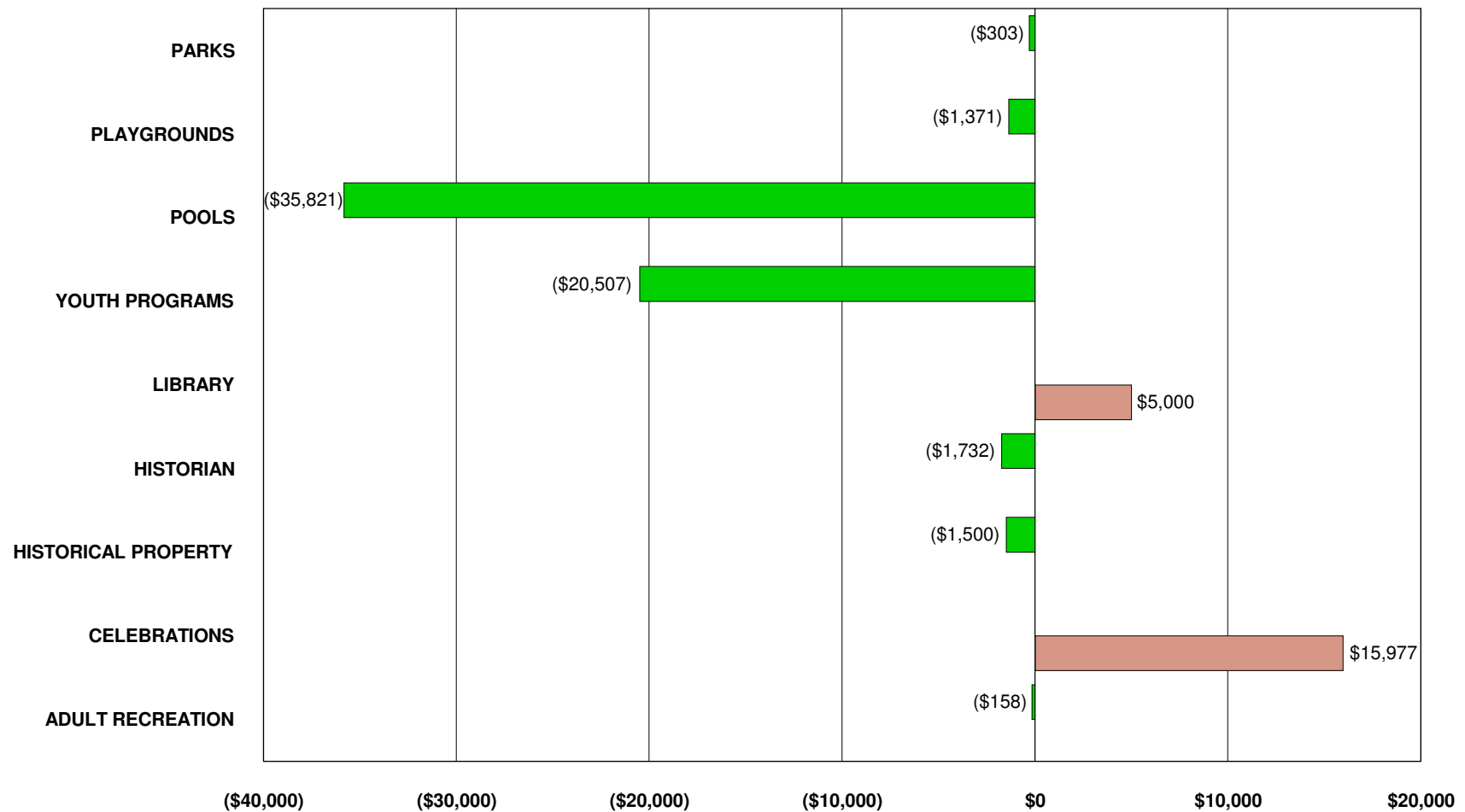


2009 Net vs Budget: CULTURE & RECREATION

(\$40,415) Under in 2009

(\$61,434) Under projected for 2010

■ UNDER ■ OVER

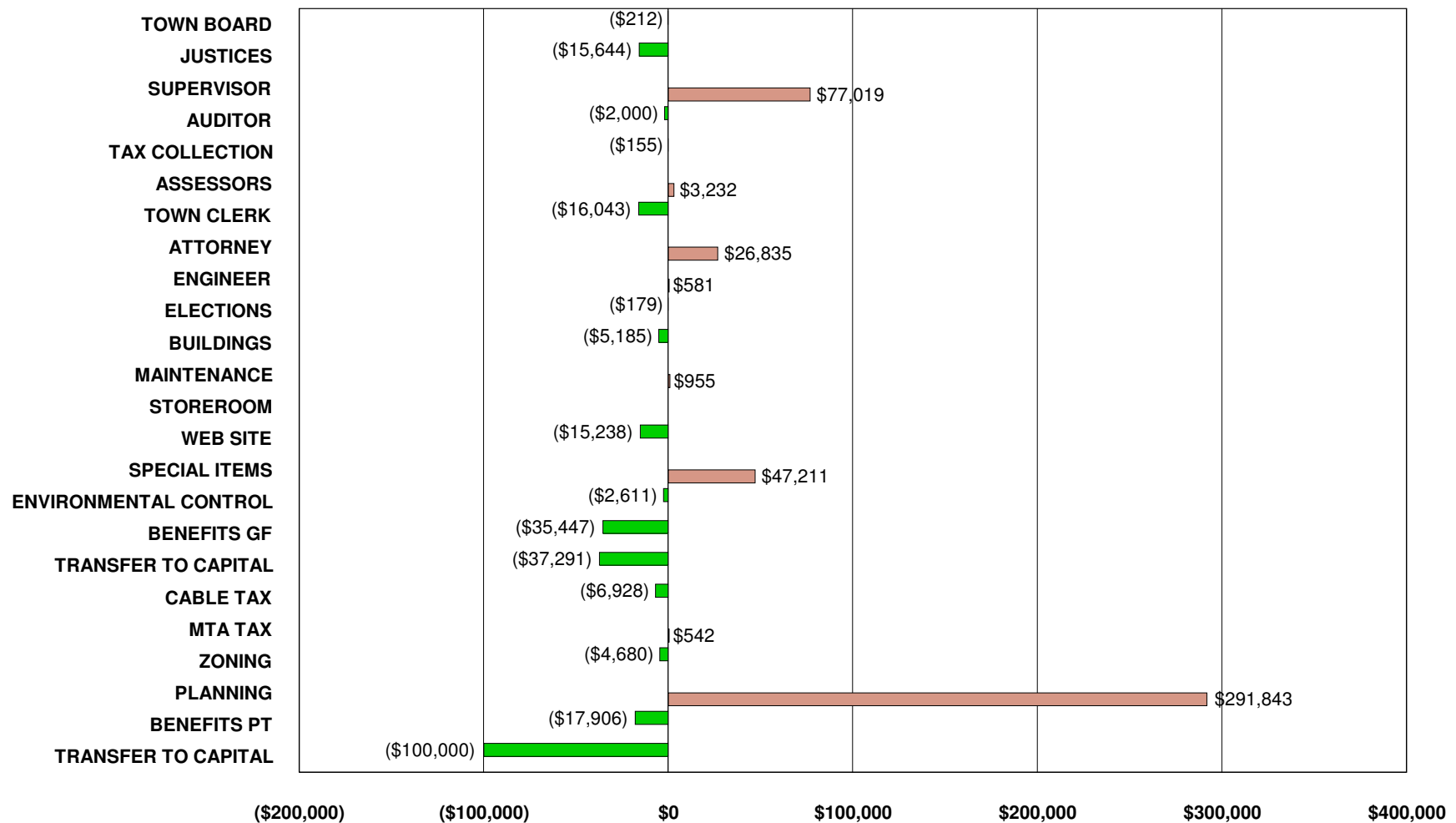


2009 Net vs Budget: GENERAL GOVERNMENT SUPPORT

\$188,699 Over in 2009

\$19,927 Over projected for 2010

■ UNDER ■ OVER

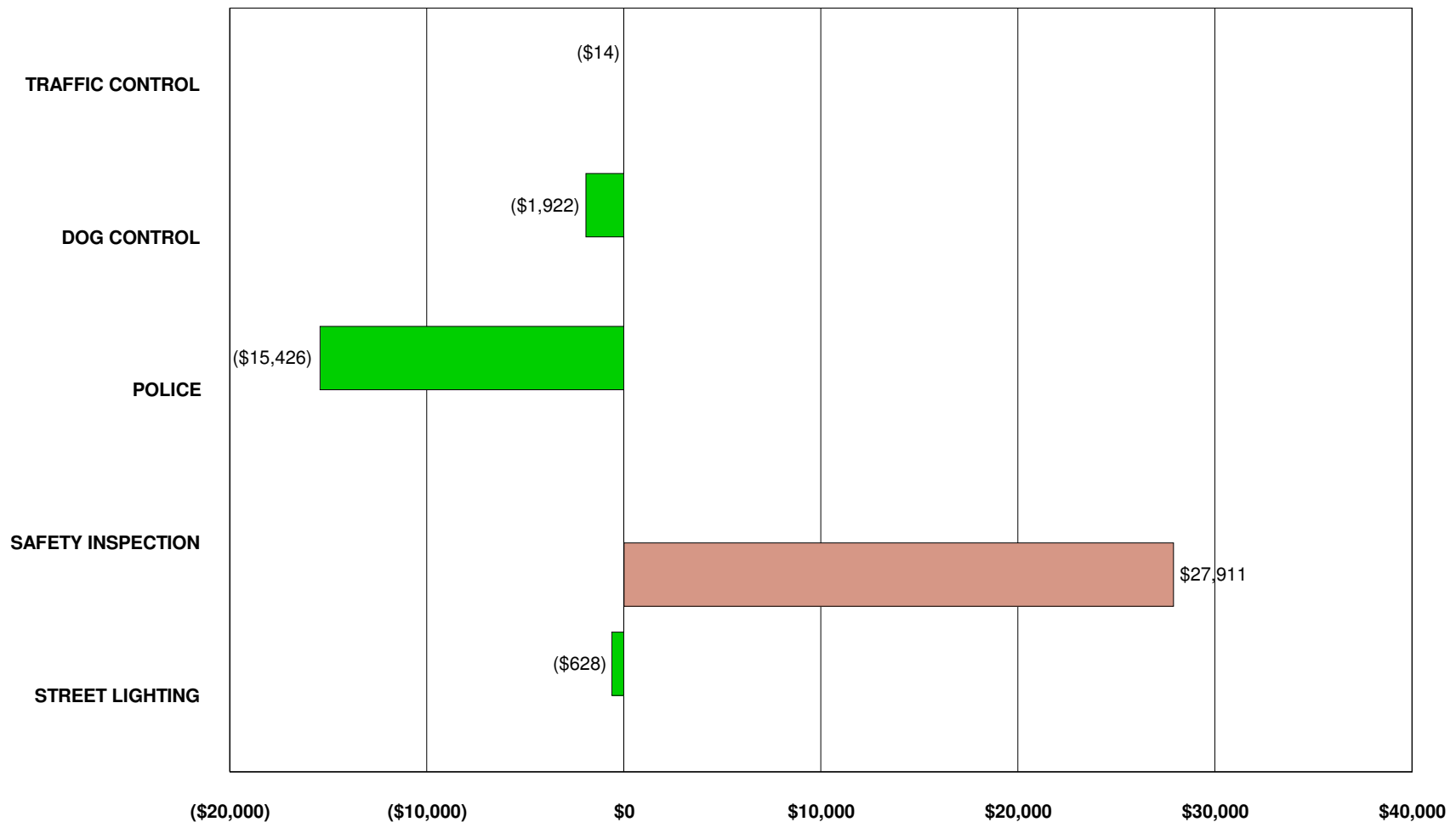


2009 Net vs Budget: PUBLIC SAFETY

\$9,921 Over in 2009

\$5,456 Over projected for 2010

■ UNDER ■ OVER

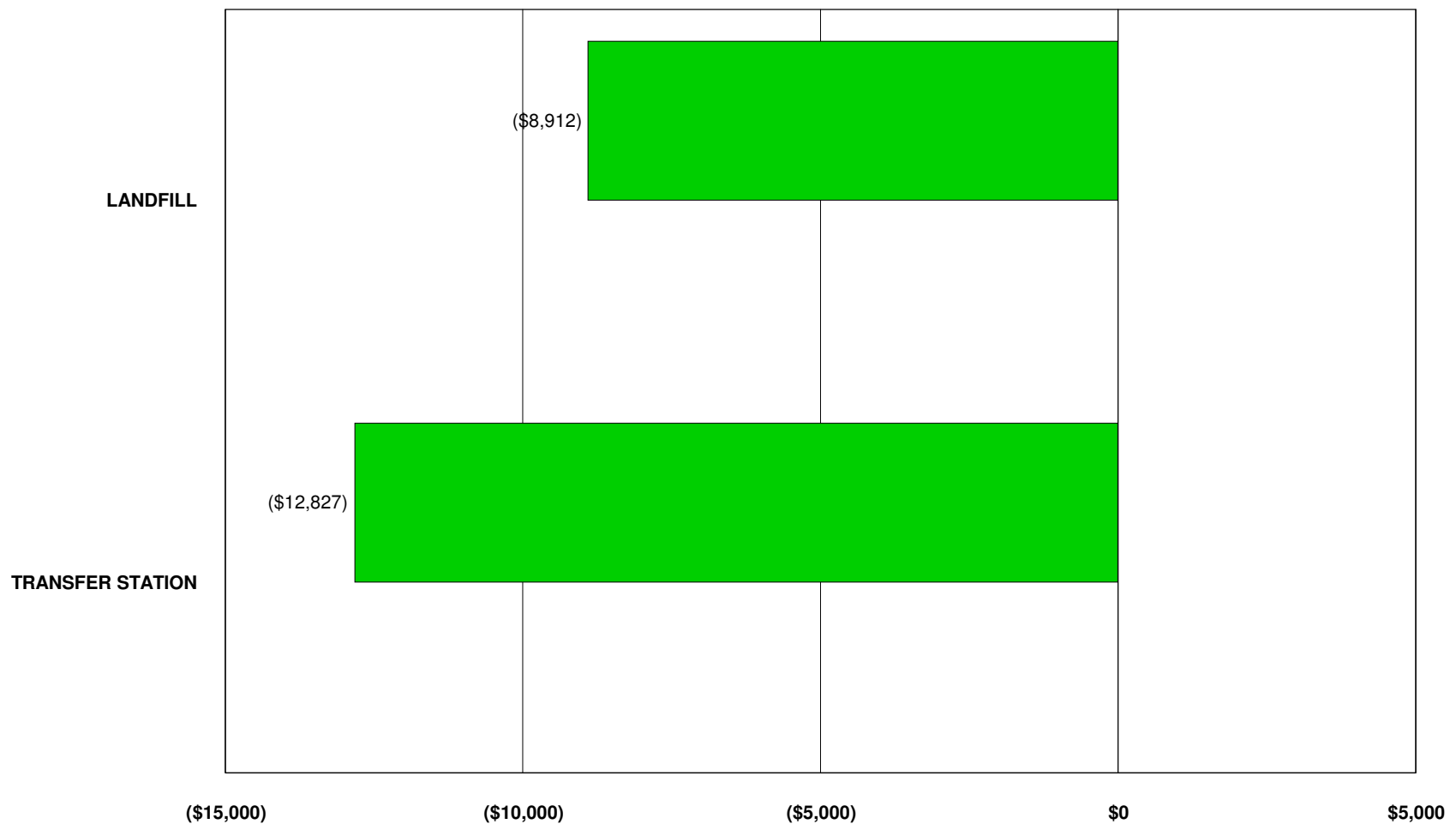


2009 Net vs Budget: SANITATION

\$(21,738) Under in 2009

(\$38,635) Under projected in 2010

■ UNDER ■ OVER

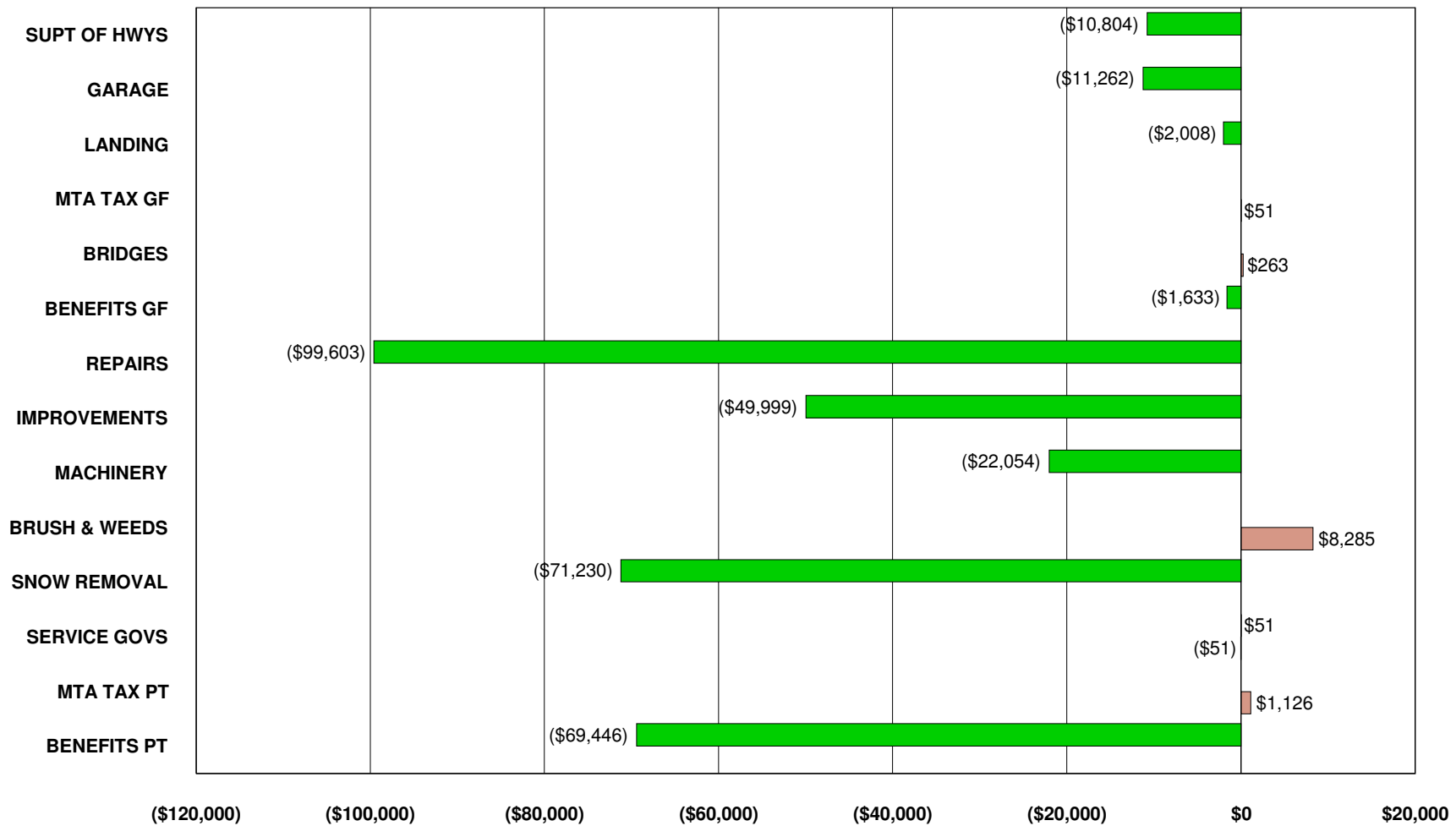


2009 Net vs Budget: TRANSPORTATION

(\$323,364) Under in 2009

(\$169,463) Under projected for 2010

■ UNDER ■ OVER



DELEGATION:

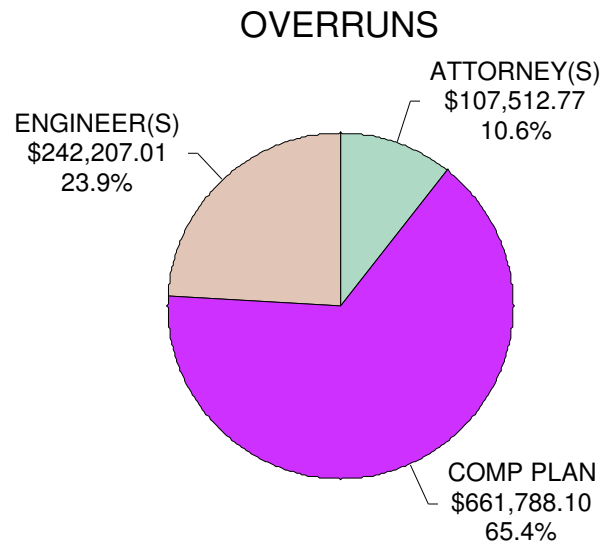
- In January, the town board delegates authority to commit town funds up to a specific limit
- Authority is only delegated to elected officials, appointed officials and department heads
 - Authority to pay set wages, principal and interest, utilities, and long term contracts is delegated by law to the supervisor
 - Commitment of approved highway budget appropriations is delegated to the superintendent by law
- The 2010 delegations are listed below

| AUTHORIZED COMMITTOR | ALTERNATE | LINEITEMS | \$ LIMIT |
|-------------------------------|-------------------|-----------|-----------|
| Assessor Chair | Liaison | 7 | 11,150 |
| Building Dept. Head | Liaison | 9 | 6,060 |
| Cemetery Dept. Head | Liaison | 8 | 12,250 |
| Dog Control Officer | Liaison | 5 | 1,650 |
| Either Judge | Liaison | 8 | 8,010 |
| Highway Superintendant | Highway Foreman | 48 | 579,495 |
| Liaison - Aging | | 2 | 10,000 |
| Liaison - Planning | | 6 | 21,000 |
| Either Liaison - VCSD | | 27 | 124,030 |
| Maintenance Dept. Head | Liaison | 33 | 62,200 |
| Recreation Director | Liaison | 23 | 24,676 |
| Recycling Dept. Head | Liaison | 11 | 57,150 |
| Supervisor - Wages | Deputy Supervisor | 32 | 1,396,883 |
| Supervisor - Utilities | Deputy Supervisor | 21 | 99,150 |
| Supervisor - Other | Deputy Supervisor | 28 | 34,056 |
| Tax Collector | Liaison | 4 | 225 |
| Town Board - Operations | | 83 | 1,420,172 |
| Town Board - Capital Projects | | 7 | 1,706,480 |
| Town Clerk | Deputy Town Clerk | 13 | 13,490 |
| Zoning Enforcement Officer | Liaison | 10 | 15,300 |
| | | 391 | 5,633,427 |

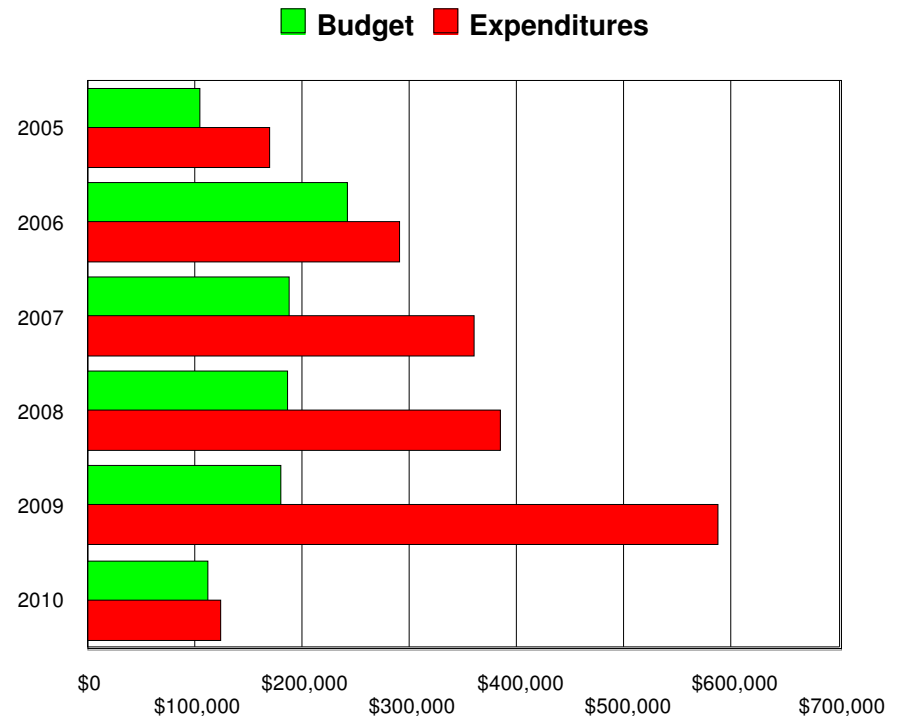
MANAGING TO BUDGET: Attorney(s), Engineer(s), & Comprehensive Plan

► Funds:

- General Fund = Engineer to Town and Landfill
- Part-Town = Building, Planning and Zoning departments
- Highway = Superintendant and Operations
- VC Sewer District = Operations and Improvements



ALL FUNDS



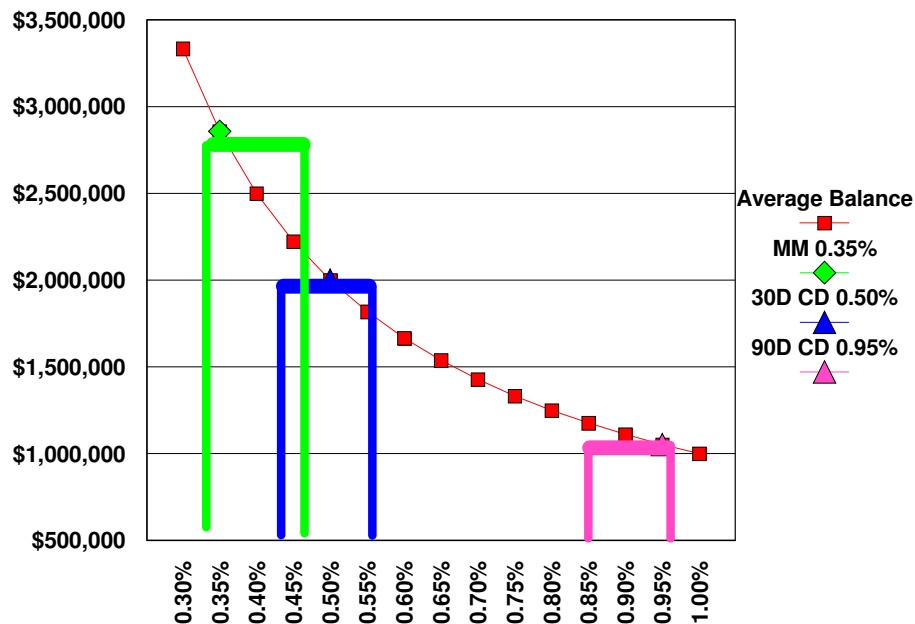
INVESTMENT PROGRAM

- ▶ Starts with reasonable budgetary goals
- ▶ Objective of program is to achieve budgetary goals
- ▶ Components of program are:
 - Monthly and historical cash flow analysis
 - Minimum fund balances necessary to produce the annual yields
 - Types of investments used are determined by available balances and goals
 - Delegated management of investments to optimize yields
 - Monthly reporting to facilitate general management of town finances
 - Quarterly reporting to facilitate adjustment to policy and appropriations
- ▶ GML limits investment types and institutions
- ▶ Example - 2010 budget calls for \$10,000 interest revenue in General Fund

- ▶ Investments need to be routinely shopped
- ▶ Some of the local institutions are:

- Bank of America
- Citizens
- Fleet
- HSBC
- JP Morgan Chase
- Key
- M&T
- Mahopac National
- Millbrook
- Stissing
- TD Bank

Average Balance for \$10,000 Yield

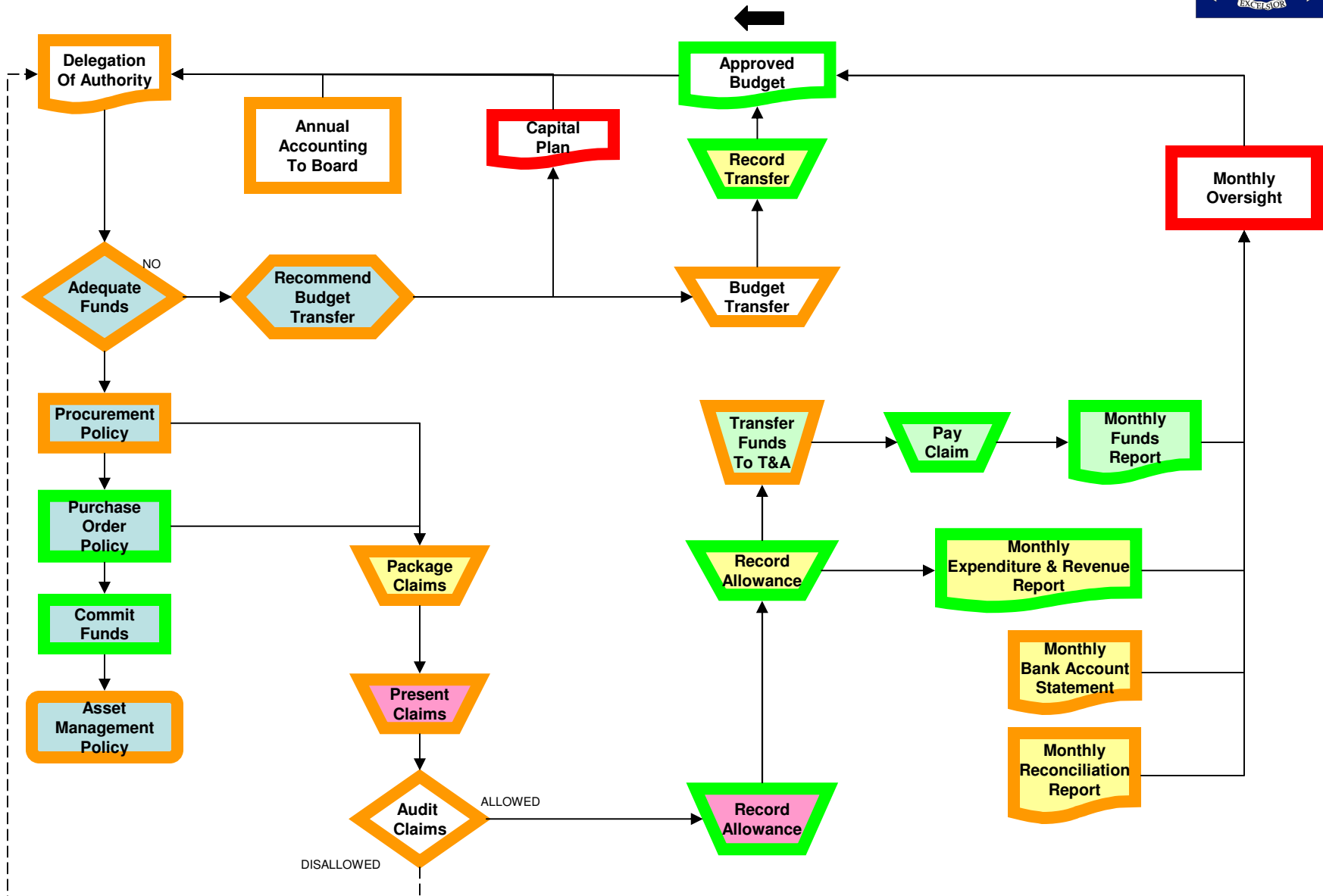
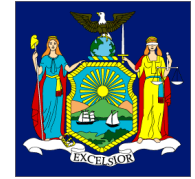


2000 - 2009 Yield on \$1.5M Available Rates



GOODS/SERVICES FLOW

| KEY | ROLE |
|-----|------------------------|
| | TOWN SUPERVISOR |
| | TOWN BOARD |
| | BOOKKEEPING DEPARTMENT |
| | AUTHORIZED PURCHASER |
| | TOWN CLERK |



SUMMARY:

- ❑ The 2010 budget seems to reasonable

- 2010 budget was marked by significant adjustments

- ❑ The challenge is to manage expense and revenue to the budget

- Many financial controls have been strengthened in recent years

- The implementation is still in progress

- ❑ The Town Board's ability to manage to budget has improved but is not yet as effective as it could be